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PROCESSING TAXES UNDER THE AGRICULTURAL ADJUSTMENT ACT

A Short List of References[1]
Compiled in the Library
Bureau of Agricultural Economics
U. S. Department of Agriculture.

September 13, 1935.

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*American cotton manufacturers association. Proceedings of the thirty-eighth annual convention... Charleston, South Carolina, April 19-20, 1934. 151 pp., tables, charts. [Charlotte, 1934?] 304.9 Am3

Address by the president, T. M. Marchant, pp. 26-51. The industry is surveyed with special reference to the effect of the N.R.A. code, processing taxes, labor, and freight rates.

Address by G. A. Sloan, pp. 51-67. The effect of the N.R.A. code on wages and earnings is discussed, also the effect of increasing taxes on the cotton-textile industry.

Address by R. W. Bruere on the work of Cotton textile national industrial relations board, pp. 68-70.

*B., C. C. Some measures of development in cotton textiles. Brown Univ. and Providence Chamber Com., Providence, R. I. Brown Business Serv. 11(10): 41-45, tables. June 25, 1935.

"The movement of the [cotton-textile] industry to the South, increased competition from other fabrics, some of which is due to changes in consumers' tastes, some to new technical development, and some to the increase in the price of cotton goods made necessary by the cotton processing tax and NRA code wage and hours provisions, and ... foreign competition" are discussed.

Brewster, Kingman, Ivins, J. S. Y., and Phillips, P. W. Taxation under the A.A.A. (Agricultural Adjustment Administration) 341pp. New York, Baker, Voorhis & Co., 1934.

In eight parts as follows: Introductory; Legislative history; Constitutionality; Processing and compensation taxes; Tax on floor stocks; Exportation; The Bankhead Cotton Control Act; and The Kerr Tobacco Control Act.

Burton, L. V. Where the processing tax fails. Why the producer, not the consumer, always pays the processing tax on vegetables. Food Industries 6(2): 60-62, 95. Feb. 1934.

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[1]Items starred (*) are from a selected bibliography on the Economic Development of the Cotton Textile Industry in the United States, 1910-1935, compiled by Emily L. Day and Rachel P. Lane, and published by the Bureau of Agricultural Economics in September 1935 as Agricultural Economics Bibliography No. 57.

Clark, O. M. Some pros and cons of the cotton processing tax. Clemson Agricultural College, Extension Service, Circular 142, 16pp. Clemson, S. C. May 1935.

Cobb, C. A. The farmers' tariff. Oil Miller and Cotton Ginner 46(3): 4-6. May 1935.
A defense of the processing tax including a quotation from Representative Clifford Hope of Kansas.

Comstock, Alzada. Revolt of the cotton textiles. The mill owners' case against the processing tax, and what New England needs. Barron's 15(20): 7, 10. May 20, 1935.
"Supplementing a recent review in Barron's of the New England cotton-textile industry's battle of protest against the Administration, it is here shown that Washington's answer, the newly-formed Cabinet Committee has not provided the solution to the industry's problems. Besides pointing out the millowners' side, Professor Comstock frankly discusses New England's need of depending more on other than the textile industries." -Editorial note.

*The cotton textile industry and the processing tax. Com. & Financ. Chron. 140: 2250-2252. Apr. 6, 1935. 286.8 C73
A discussion of the order of the National Industrial Relations Board, issued March 26, 1935, authorizing curtailment of production in the cotton-textile industry; the "real difficulties of the industry," in relation to administration policies; and a criticism of the processing tax under the Agricultural Adjustment Administration.

Cotton textile industry. Message from the President of the United States transmitting a report on the conditions and problems of the cotton textile industry, made by the Cabinet committee appointed by him. U. S. 74th Cong., 1st sess., Senate Document 126, 154pp. Washington, D. C., U. S. Govt. Print. Off., 1935. 304 Un34
Among other things this committee reported on processing taxes. A summary of their findings and recommendations on this subject, as given on p. V, is as follows:
"During the economic emergency as reflected by existing price disparities, we recommend against the discontinuance of the processing tax, which, after due consideration of the alternatives, we regard as the most practical means for securing to the cotton farmers of the Nation a return from cotton equivalent in terms of purchasing power to that which existed in the pre-war period and which has enabled them to increase their purchases of the products of other industries, including the cotton industry, thereby benefiting the workers in these industries."

*Dana, Philip. Washington hears Philip Dana of Westbrook. Fibre and Fabric 88(2622): 6-7, tables. May 4, 1935. 304.8 F44
Text of a statement by a member of the Maine delegation before the President's Special Cabinet Committee hearing on textile New England, in which he gave the viewpoint of Maine mills on the processing tax, the wage differential between North and South, the effect of textile imports, the effect of overproduction and "the obvious need for production control".

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Davis, J. C. Wheat and the AAA. 468pp. Washington, D. C., The Brookings Institution, 1935. (Institute of Economics of the Brookings Institution. Publication No. 61) 281.359 D29

Wheat processing and related taxes, ch. VI, pp. 170-204. See also the index under subject "Taxes, processing and related".

Dummeier, E. F. Restriction of output in agriculture and the processing taxes. Pacific Coast Econ. Assoc. Papers and proceedings of the twelfth annual conference. Dec. 1933, pp. 35-37. Ann Arbor, Edwards Bros., inc., 1934. 280.9 P11

*Facing the facts. Textile Bull. 47(9): 14, 15, table. Nov. 1, 1934. 304.8 So32

"Due to the processing tax, reduced hours of operation, and increased wages, the costs of cotton goods are now just about where they were in 1929. So are their market prices." Comparative cost and profit analysis of textile situation as between June, 1929, approximately the peak of expansion and prices, and October, 1934, with reference to a standard construction of cloth, are given in the table.

*Field, E. G. An example of mill profit trends under the NRA and AAA. Cotton (Atlanta) 97(11): 30, table. Nov. 1933. 304.8 C823

"An actual case, taken from a southern mill's records, of the effect on market, cost and profit on a standard sheeting construction, during the first several months of operation under the cotton-textile code and the cotton processing tax."

"Since the code went into effect and the processing tax has applied, there has been a continuous decline in the profit to the mill, and now the loss is running to a substantial figure."

*Franklin process company. Brief for receivers of Hoosac mills corporation in support of their first report on claims, said report denying claim of United States of America for processing and floor stocks taxes under Agricultural adjustment act. 101pp. Boston, A. C. Getchell and son, law printers, 1934. 281.372 F85

At head of title: District court of the United States. District of Massachusetts. In equity no. 3926. Franklin process company v. Hoosac mills corporation.

Graves, W. W., Jr. Effects of AAA on tobacco production. Harvard Business Rev. 13(4): 463-474. Summer 1935.

The writer concludes that the "AAA programs were, without question, a large factor in materially increasing returns received on the whole 1933 and 1934 tobacco crops", but doubts the wisdom of continuing the program lest it destroy our export markets.

"Even in its short-run effects the plan has been of greatest benefit to growers of those tobaccos which were in the strongest competitive positions, particularly the flue-cured growers. Only a restoration of full competitive status, as soon as practical, will bring the greatest returns to the growers over a long period. Surely a successful short-run plan is better than a long-run disaster - unless America chooses complete nationalism."

Gusler, Gilbert. The effect of the wheat processing tax. Southwestern Miller 12(50): 21, 22. Feb. 13, 1934.
A study of influence on flour consumption by Gilbert Gusler issued by the Millers' National Federation.
The following is quoted from the summary: "Preliminary analysis indicates that the decline in domestic consumption of wheat flour since the processing tax went into effect is less than is generally believed."

Johnson, Sherman. Wheat under the Agricultural Adjustment Act. Developments up to June 1934. Brookings Institution, Pamphlet Series No. 14, 103pp. Washington. 1934.
Pages 88-91 of the chapter on some early results of the program summarize briefly some preliminary figures on processing tax collections for the first six months and also some early studies of the incidence of processing tax.

Kendrick, M. Slade. The processing taxes and some problems raised by them. Journal of Farm Economics 17(2): 307-317. May 1935.
Discussion by Lawrence Myers, pp. 317-320.

Knowles, W. F. Wheat and the probable effect of the processors' tax upon your bread prices. 7 pp., mimeogr. [New Brunswick. 1933] (Pam. Coll. [Bread])
"A talk broadcast from Station WOR, New York, July 5, 1933."

Lekus, Max. The cotton textile crisis. Present adverse position of industry calls for long-range planning. Barron's 15(17): 7. Apr. 29, 1935.
On the situation in the New England cotton textile industry which is said to be threatened by three major dangers: the wage differences between North and South; the processing tax; and Japanese competition in the United States cotton textile market. An investigation into cotton imports has been ordered by the President.

*Loper, R. E. "Textile costs under the N.R.A." 8pp., mimeogr. [Pinehurst, N. C., 1933] 304 [L]
"Address...at the annual meeting of the North Carolina Cotton manufacturers' association, inc., November 17, 1933, Pinehurst, North Carolina."
Have also 3 page summary of address.
Includes a statement comparing present prices of overalls and shirts with earlier prices to show the results of increased costs due to NRA and processing taxes.

*Marshall, Hunter, Jr. Eighteen months under the processing tax. Carolinas Mag. 3(4): 25-26. Mar. 1935. 110 C22
The subject is discussed under the following headings: What is the processing tax? - What is meant by processing? - Rate of processing tax - The effect of the processing tax on the textile industry. The author states that in the year 1934 the processing tax "equalled an amount substantially 40 per cent of the wage bill of the industry, and approximately 40 per cent of its raw material cost." The attitude of the industry is expressed by a resolution passed at a meeting of the North Carolina Cotton Manufacturers Association, which is quoted, recommending that the processing tax be removed.

*Merritt, C. L. Analysis of the processing tax. Cotton Digest 7(29): 11-12. Apr. 27, 1935.

The writer states in summary, "The processing tax has the effect of decreasing consumption of American cotton; it destroys or impairs the market for the lower grades of cotton; it interferes with the normal operation of the cotton mill industry through the impounding of working capital and makes the cotton industry a tax collecting agency; and, lastly, since it is a sales tax imposed on a necessity of life, being highest on the types of cloth used most by those who can least afford to pay it without any compensating advantage, there can be no justification for its continuance."

*Moore, Frederick. The processing tax on cotton is direct levy on mills and employees. Textile Bull. 47(25): 8-9, 58-60, tables. Feb. 21, 1935. 304.8 So32

Certain cost figures from a survey of textile costs by A. W. Rucker are given to show percentage of the cost that goes to labor and to the processing tax.

The more abundant life! Amer. Wool & Cotton Reporter 49(20): 1, 37-38. May 16, 1935.

Discussion of the effects of the processing tax, and other features of Government policy on the textile industry.

*National industrial conference board, inc. National reconstruction and recovery program; Administration and financing. Part III. Processing taxes. Natl. Indus. Conf. Bd. Inform. Serv.: Domestic Affairs Memorandum 21, 13pp., tables. New York. January 12, 1934. 280.9 N2162

Cotton payments, pp. 7, 9-10. Table 8, p. 10, shows "Changes in average retail price of 4 typical cotton textile products from August 2 to September 13, 1933, and computed processing tax." The products are sheet (81 x 99 inches), workshirt, overalls, and unbleached muslin (yard).

*New England council, Industrial department. Summary of survey of the current situation of the New England cotton textile industry made for the Chamber of Commerce committee on industrial conditions in New England. 15pp., mimeogr. Boston, Mass. 1935. 281.372 Ne

The summary is based on returns of questionnaires by 87 companies, representing 105 mills or approximately one-third of New England's cotton goods production. The replies are summarized under the following topics: Processing tax, foreign competition in domestic and in foreign markets, over-production, North-South wage differentials, age of machinery, and local or state conditions as to taxes, legislation, freight rates, labor troubles, etc. "Because of the diversity of opinion expressed as to the effects of various factors dealt with, the Council has not felt warranted in drawing specific conclusions."

Also in Fibre and Fabric 88(2612): 14, chart, Feb. 23, 1935.

*Rhode Island. General assembly, Commission to investigate problems of the cotton textile industry. Report...made to the General assembly at the January session, 1935. 13pp. Providence, The Oxford press, 1935. 304 R34

At head of title: State of Rhode Island and Providence plantations. Charles M. Corcoran was Chairman of the Commission.

The report presents recommendations of the Commission concerning overproduction, cooperation between labor and management, the cotton processing tax, imports, continuation of the N.R.A., freight rates, and local taxation in the cotton textile industry of Rhode Island. Three Senate bills are reprinted, as follows: Senate bill no. 203 (Resolution requesting the senators and representatives in congress from the state of Rhode Island to use their best efforts to secure the defeat of bills H.R.3042, and S. 1632 in its present form). (Passed March 19, 1935). - Senate bill no. 204 (Substitute "A"). (Resolution urging congress of the United States to pass legislation restricting the importation into this country of certain textile articles.) (Passed March 19, 1935.) - Senate bill no. 208 (Resolution requesting the president of the United States to cause a federal investigation to be made concerning the equalization of wages in the cotton textile industry). (Passed March 19, 1935).

Richards, H. I. Cotton under the Agricultural adjustment act; developments up to July 1934. 129pp. Washington, The Brookings Institution, 1934. (Brookings Institution Pamphlet Series no. 15) 280.9 B79

Rowe, H. B. Tobacco under the AAA. 317pp. Washington, D. C., The Brookings Institution, 1935. 281.369 R79
See index under subject "Taxes."

Ryan, J. M. The processing tax and cotton waste. Commerce and Finance 23(39): 794. Sept. 26, 1934.

Shepherd, Geoffrey. The incidence of the AAA processing tax on hogs. Jour. Farm Econ. 17(2): 331-334. May 1935.
Discussion by J. R. Blough, pp.334-339.

Stewart, A. D. Why the Agricultural adjustment administration. Miss. Co-op News 6(9): 1, 4. Apr. 1935.
The author holds that if the processing tax is unfair, the protective tariff is also unfair.

*Text of decision of Federal circuit court of appeals in Boston holding AAA processing and floor taxes illegal. Com. & Financ. Chron. 141(3656): 367-370. July 20, 1935. 286.8 C73
"The text of the decision of the United States Circuit Court of Appeals in Boston, Mass., of July 16, holding as unconstitutional the processing and floor taxes levied by the Secretary of Agriculture under the Agricultural Adjustment Act...in a suit brought by the Hoosac Mills Corp. against the United States."

*Textile world analyst. What has happened in textiles under codes and taxes. Textile World 83(13): 2189, table, chart. Dec. 1933. 304.8 T315
Chart shows total monthly consumption of all fibers from 1929 through October, 1933.
Tables show carded fabric and carded yarn margins for specified dates, 1931-1933.

U. S. Congress. House. Committee on agriculture. Exempt certain publicly maintained institutions from processing taxes. Hearing... 73d Congress, 2d session on H.R. 7604 and H. R. 7798. February 28, 1934, Serial K. 27pp. Washington, U. S. Govt. print. off., 1934. 284.5 Un34

*U. S. Department of agriculture. Agricultural processing taxes. Letter from the Secretary of agriculture transmitting in response to Senate Resolution no. 121, information relative to processing taxes imposed under the provisions of the Agricultural adjustment act. U. S. 73d Cong., 2d sess. Senate Doc. 122, 6pp., tables. Washington, D. C., 1934. Pam. Coll.

Tables show processing taxes on cotton collected to December 31, 1933, disbursements from tax funds for rentals and benefits and removal of surplus to December 31, 1933, and disbursements from tax funds for general administrative expenses to December 31, 1933.

U. S. Dept. of agriculture, Agricultural adjustment administration. Achieving a balanced agriculture. 52pp. Washington, D. C., 1934. (G-20)

Production control: benefit payments, marketing agreements, licenses, chapter VII, pp. 30-34.

Processing taxes: what for and who pays them? pp. 35-40. Subtopics are: supply and demand conditions govern, effect of tax on hog prices, tax money ends up in farmers' pockets, consumers' price information published, small rise to consumer means much to farmer, program depends upon tax.

U. S. Dept. of agriculture, Agricultural adjustment administration. Agricultural adjustment in 1934; a report of administration of the Agricultural adjustment act, February 15, 1934, to December 31, 1934. 456pp. Washington, D. C., 1935. 1.4 Ad4Ge

Processing taxes and their effects, ch. 16, pp.231-239. Processing taxes, exhibits 2-5, pp. 344-349.

U. S. Dept. of agriculture, Agricultural adjustment administration. Corn-hog adjustment. A handbook for use in the corn-hog adjustment program. 103 pp. Washington, D. C., Jan. 1935. (C.H.-113)

The processing taxes, ch. III, pp. 63-82.

*U. S. Dept. of agriculture, Agricultural adjustment administration. The cotton processing tax. U. S. Dept. Agr., Agr. Adjustment Admin. (Commodity Inform. Ser.) Cotton Leaflet No. 2, 4pp., illus. Washington, D. C., October 25, 1934. 1.4 C82Co

Questions and answers concerning the cotton processing tax: what the tax is; why a processing tax on cotton; effects of the tax.

*U. S. Dept. of agriculture, Agricultural adjustment administration. Equity no. 3926. In the district court of the United States for the district of Massachusetts. Franklin process company v. Hoosac mills corporation. Opinion. October 19, 1934. 13pp., mimeogr. [Washington, D. C., 1934] 1.94 C82Fr

The court ruled that the processing tax is a valid claim of the United States.

U. S. Dept. of agriculture, Agricultural adjustment administration. The processing taxes on corn and hogs. A series of questions and answers. Feb. 1935. 16pp. Washington, D. C., 1935. (Form C.H.-118)
A publication of similar title was issued in January 1934 as Form C.H.-32.

Waite, W. C. Agricultural adjustment and processing taxes. Minn. Univ. Agr. Ext. Minn. Farm Business Notes no. 146, pp. 1-3, mimeogr. University Farm, St. Paul, Feb. 20, 1935.

Wallace, H. A. New frontiers. 314pp. New York, Reynal & Hitchcock [1934]
We tax bread and meat, chapter XVI, pp. 211-222. References to processing taxes are also found on pp. 175-186, 196-197.

*Waugh, F. V., Farrington, C. C., and Cooper, M. R. Recent developments in the domestic cotton textile industry. Prepared in the Bureau of Agricultural Economics. 51pp., tables, mimeogr. Washington, D. C., U. S. Dept. Agr., Bur. Agr. Econ., September 15, 1933. 1.9 Ec733Rd
The present study "was directed particularly at the question of whether the increased costs under the N.R.A. code and the processing tax on cotton had caused or would, during future months, cause consumption of cotton goods to decline and to remain at low levels... A considerable part of this report is devoted to an analysis of the present situation in the industry in comparison with previous years, including an analysis of spinning and weaving mill activity, sales and stocks, as well as conditions in the garment and other secondary manufacturing establishments, and conditions in the wholesale trade."
Charts and tables, pp. 13-51, include the following: Table 1. Average price per pound of Middling 7/8 inch cotton and specified carded and combed yarns and price per yard of specified cotton gray and finished cloths, 1911-1913, 1925, 1929, and by weeks, 1933. - Table 2, Average weekly prices of raw cotton per pound and of cloth obtainable per pound of raw cotton and the margin between these prices, 1925-26 to Sept. 8, 1933. - Table 3. Prices of cotton goods and of lint cotton, by weeks, July 28-September 6, 1933. - Table 8, Cotton cloth; production, sales, shipments, stocks, and unfilled orders, United States, 1927-28 to 1932-33.
Table 2 was later revised to date of April 13, 1934.

Williamson, N. C. Processing tax farmer's answer to high tariffs. Tex. Grower and Valley Farmer 8(3): 3. June 1935.
"A Statement made before a Cabinet meeting in Washington, D. C."